Securities Underwriting Record Set

Salomon Brothers Leads with $19.2 Billion in First Half

By SCOTT McMURRAY

NEW YORK — During the first six months of this year, corporations — many of their stock prices buoyed by the bull market — raised a record $58.7 billion through securities underwritings.

These underwritings more than doubled the $23.4 billion raised during the first half of 1982, according to data compiled by Abrahamsen & Co., an independent statistical research firm.

Salomon Brothers Inc. led all investment banking firms in the volume of public debt and equity securities underwritings for the first six months of 1983, doing 161 financings with a dollar value of $19.2 billion.

The Merrill Lynch White Weld Capital Markets Group investment banking unit of Merrill Lynch Inc. finished second to Salomon (giving full credit to each underwriting manager and co-manager), with 187 issues totaling $18.1 billion. Goldman Sachs was third, with $15.8 billion and 149 issues.

The largest year-to-year growth in financings came in common stock financings. The volume of common stock financings more than quintupled, from $3.7 billion for the first half of 1982 to nearly $21 billion for the first six months of this year.

For straight debt, Salomon also led the rankings, with 99 financings worth just under $13 billion. Merrill Lynch was second (again giving credit to each manager and co-manager), with 69 financings worth $8.9 billion. And Goldman Sachs was third, with 66 financings worth $8.5 billion.

The rankings are based on underwritings of $5 million or more registered with the Securities and Exchange Commission. Included were U.S. government-guaranteed financings, underwritten issues of federal agencies, issues of Canadian provinces and corporations, and financings in the U.S. markets of foreign governments and their agencies. Not included were underwritten certificate of deposit financings. ■

Legal . . .

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Dreyfus Corp. and J.C. Penney Co.

These nonbanking corporations have managed to avoid becoming bank holding companies under the Bank Holding Company Act by spinning off demand deposit-taking or commercial lending activities of their so-called nonbank banks.

Rep. Barnard said the hearings were scheduled before two important banking bills were introduced in Congress. These bills were major topics of discussion during the three days of hearings.

One bill, sponsored by the Federal Reserve, is a moratorium on the acquisition of banks and thrifts by nondepository insitutions. The other, drafted by the Treasury Department, is the bill on bank powers called the Financial Insitutions Deregulation Act of 1983. The bill does not deal with interstate banking.

Only the lawyer from the Federal Reserve supported the moratorium legislation.

Doyle L. Arnold, senior deputy Comptroller of the Currency, told the committee, "A lengthy moratorium only delays the inevitable" congressional action, and "a brief moratorium seems to be rather pointless. There is nothing going on in the market that is so drastic it could not be undone by Congress."

Rep. Barnard questioned the attorneys about the deregulation bill and about whether it would eliminate problems caused by nonbank banks. The attorneys generally agreed that the bill would close the confusing loopholes.

Rep. Barnard also questioned the attorneys on whether Congress should address interstate banking in the deregulation bill. Michael Bradfield, general counsel for the Federal Reserve System, said the issue of interstate banking must be dealt with, but added, "Treasury felt they were giving Congress as much as they could digest" at one time. ■

Money Fund Assets Fall on Week

WASHINGTON — Assets of money market mutual funds fell $30.7 million in the week ending July 20 to $165.5 billion, the Investment Company Institute said.

Last week the funds posted an increase of $252 million for the first rise in 32 weeks.

The ICI also said that 174 general purpose funds rose $167.8 million to $52.82 billion; 56 institutional funds were up $58.6 million to $33.09 billion, and 85 broker-dealer funds fell $257.1 million to $79.6 billion. ■

IMF . . . . .

Continued from page 3

House staffers said a vote could occur next week.

Also included in the bill are provisions to restrict foreign lending by banks, such as special reserves on certain international loans.

The Senate already has passed a bill (S. 695) that includes the IMF quota increase but with less severe restrictions on bank lending. ■

Assets . . .

Continued from page 1

billion in assets, edging Citicorp's total of $130.2 billion.

BankAmerica's second-quarter results do not include the earnings or balance sheet items of Seafirst because acquisition of the Seattle company was not closed until July 1.

Three more New York City bank holding companies round out the five largest in this category at June 30. They are: Chase Manhattan Corp., with $81.5 billion in assets; Manufacturers Hanover Corp., with $63.3 billion; and J.P. Morgan & Co. Inc., with $59.2 billion. ■

American Banker Top U.S. Commercial Banks Midyear Review

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August 19, 1983

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Top 500 Have Smallest Gain

Deposits of World's Largest Banks Up Mere .5%

By L. MICHAEL CACACE

NEW YORK — The total deposits of the 500 largest banks in the world grew by less than one-half of one percent last year, the smallest gain since the American Banker began compiling these data in 1957. The previous smallest gain was 4.4% in 1981.

This is one of the findings of the American Banker's annual survey of the world's top 500 banks in deposits, published today.

Deposit growth came to a virtual halt last year because of:

- The worldwide economic recession.
- The restrictive monetary policies used by the major industrialized countries to combat inflationary pressures.
- The strength of the dollar against all major currencies.
- The indebtedness problems of the world's newly industrialized countries, especially Mexico, Argentina, and Brazil.

Also contributing to the slow growth of deposits was last year's decline in the volume of world trade — the first since 1975. The volume was approximately 5% below the 1979-80 peak. The drop was attributable to the

➳ Top 500: Page 98

New Jersey Companies Agree On Record Banking Merger

Special to the American Banker

NEWARK, N.J. — The largest merger in New Jersey banking history was approved late Monday by the boards of directors of two Newark bank holding companies.

First National State Bancorp., with $4.9 billion in assets, and Fidelity Union Bancorp., with $3.5 billion in assets, will merge to form an $8.4 billion-asset bank holding company.

The merging companies are respectively the largest and third largest bank holding companies in the state.

The merger — which is subject to state and federal regulatory approvals and ratification by the stockholders — would, for the first time, give New Jersey a bank ranking among the top 30 in the country.

It would be nearly twice the size of the $4.5 billion-asset Midlantic Banks Inc. of Edison, which would remain the second largest in the state.

First National State

FIDELITY UNION BANK

Robert R. Ferguson Jr., president and chief executive officer of First National State, and Peter Cartmell, chairman and chief executive officer of Fidelity

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CAPITAL ACTION

Data Processing Unit Spin-Offs Can Boost Bank Groups' Capital

By TERESA CARSON

NEW YORK — Some banking institutions are taking a cue from industrial companies and spinning off subsidiaries into separate, publicly traded companies. These moves boost the parent company's capital and, some analysts say, could enhance the market for the parent company's common stock.

Spinning off subsidiaries is common among industrial companies but virtually unheard of in banking. So far only two bank holding companies have taken this step, and both spun off their data processing subsidiary. First Oklahoma Bancorp. announced Monday that it will spin off First Data Management Inc. Earlier in the year, First Railroad & Banking Co. spun off First Financial Management Co.

Investment bankers say other bank holding companies are discussing the idea. These analysts say also that data processing subsidiaries are the only likely candidates for spinning off. One analyst said data processing subsidiaries are "pristine," meaning that they are

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First City to Acquire Cullen Frost, Creating 2d Biggest Texas BHC

By JOHN P. FORDE

NEW YORK — Cullen Frost Bankers Inc., San Antonio, has agreed to merge into First City Bancorp., Houston, for a combination of stock and cash worth $288 million.

The deal would make First City the second largest bank holding company in the state, with $19.6 billion in assets.

At June 30, Cullen Frost had $3 billion in assets and was Texas's ninth largest bank holding company. First City had $16.6 billion in assets and was the fourth largest in the state. The addition of Cullen Frost will push First

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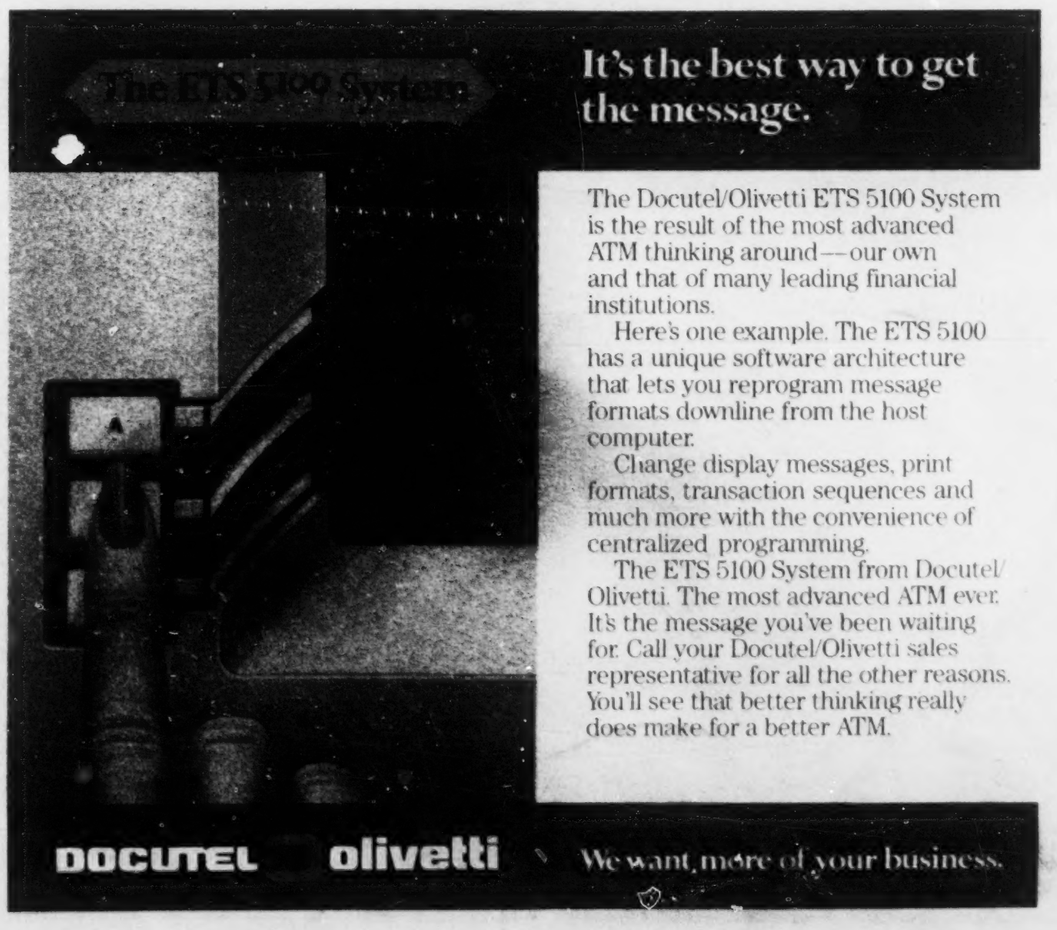
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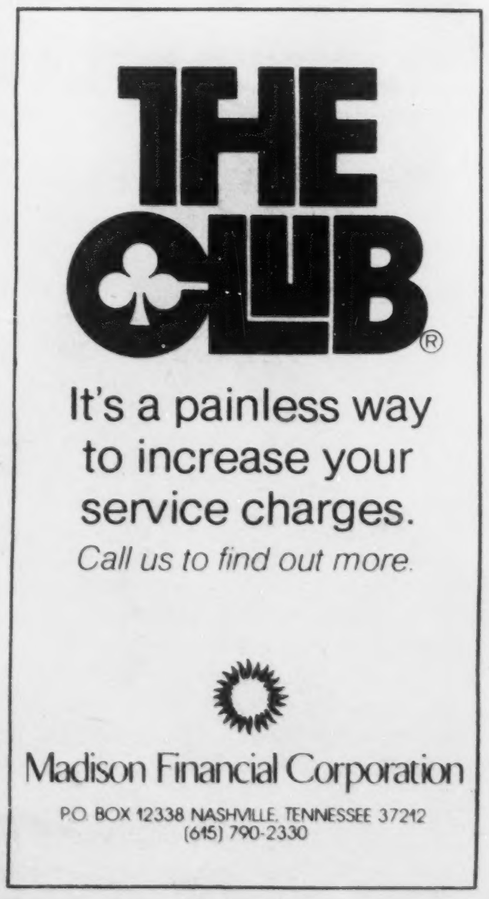
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American Banker ranks the World's 500 Largest Banks

By Deposits

AT A GLANCE: Who's tops?

World Rank 12/31/81		Deposits in U.S. Dollars
1	Bank of America NT&SA, San Francisco	95,037,498,000
2	Banque Nationale de Paris	90,677,717,376
3	Credit Lyonnais, Paris	83,591,842,582
4	Barclays Bank Plc, London	83,575,100,000
5	National Westminster Bank Plc, London	80,815,560,000
6	Credit Agricole Mutuel, Paris	78,383,020,000
7	Deutsche Bank, Frankfurt	75,817,163,884
8	Citibank NA, New York	74,544,000,000
9	Societe Generale, Paris	73,298,701,254
10	Midland Bank Plc, London	

NOTE

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